

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 278	Date: MAY 25, 2007
	Change Request 5615

SUBJECT: Department of Veterans Affairs Medicare-equivalent Remittance Advice (MRA) Project: Continued Use of Part A Legacy Provider Numbers After National Provider Identifiers (NPIs) Are Fully Implemented

I. SUMMARY OF CHANGES: This CR will result in the systems changes required to continue to accept and adjudicate VA MRA Project Part A-equivalent claims with their project-unique legacy numbers once NPI is fully implemented.

NEW / REVISED MATERIAL

EFFECTIVE DATE: *October 1, 2007

IMPLEMENTATION DATE: October 1, 2007

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:

Funding for implementation activities will be provided to contractors through the regular budget process.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One-Time Notification

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SUBJECT: Department of Veterans Affairs Medicare-equivalent Remittance Advice (MRA) Project: Continued Use of Part A Legacy Provider Numbers After National Provider Identifiers (NPIs) Are Fully Implemented

Effective Date: October 1, 2007

Implementation Date: October 1, 2007

I. GENERAL INFORMATION

A. Background: Current law permits the VA to collect appropriate Medicare coinsurance and deductible amounts from supplemental insurers for claims for supplies and services ordinarily covered by Medicare but furnished

1. At VA facilities; and
2. For veterans eligible to receive both VA health and Medicare benefits and also having Medicare supplemental insurance.

To facilitate this process, CMS entered into an interagency agreement with the VA whereby CMS will help the VA work with a CMS contractor to adjudicate claims for these services to produce remittance advices equivalent to those ordinarily produced for Medicare claims. The remittance advices, sent to the supplemental insurers, will help the insurers determine payment amounts they owe to the VA. Medicare does not pay these claims, but the remittance advices show how much Medicare would have paid had the claims been payable by Medicare along with the applicable deductibles and coinsurance. TrailBlazer was the contractor selected to perform the work for this project, but adjudicating these claims typically also involves the Common Working File (CWF), the Multi Carrier System (MCS), and the Fiscal Intermediary Shared System (FISS), and changes are made to these systems from time to time to accommodate the VA claims. The VA funds all of the work on this project, including systems changes.

While equivalent to Medicare claims in overall appearance and the nature of the services rendered, these VA claims contain unique elements to ensure that they are processed appropriately and apart from Medicare claims, and in particular that payment is not made. Among these characteristics are a demo code and provider numbers which are unique to this project.

Once NPI is fully implemented, and CMS accepts only those claims using NPIs to identify providers, accommodations must be made to continue to process the VA MRA project claims. The purpose of this change request (CR) is to implement the systems changes needed to continue to process the VA MRA project Part A claims when the VA submits these claims using the MRA provider enumeration (i.e., legacy numbering) scheme and does not include NPIs on the claim. Note that these systems changes are for only the VA MRA project claims and do not address the processing of other claims the VA may submit to CMS, such as those for services rendered to Medicare beneficiaries who are not veterans and received emergency medical care at VA facilities. Further, another separate CR, 5240, addresses enumeration considerations for VA MRA Project Part A/Institutional-equivalent claims.

B. Policy: When a Medicare beneficiary also eligible for veterans health benefits elects to obtain his/her health care at a VA facility, law entitles the VA to collect from the beneficiary's supplemental insurer the coinsurance and deductibles that would have been payable had the beneficiary instead received services from a Medicare provider (law, however, prohibits Medicare from paying for these claims). Through an interagency agreement between CMS and the VA, CMS systems adjudicate the VA claims on a no-pay basis to determine the amounts Medicare would have paid for equivalent services rendered by Medicare providers along with the coinsurance and deductible amounts applicable.

Part of the checks and balances implemented to ensure that the VA MRA project claims do not pay involve a provider enumeration scheme unique to the project. However, unless accommodations are made for these claims, Medicare systems will be unable to process them once NPI is fully implemented in May 2007: the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that all entities covered under HIPAA use only NPIs to identify providers on HIPAA-covered transactions, including electronically submitted health care claim transactions; Medicare is a covered entity and will accordingly comply.

Although loosely termed “claims” because of their general Medicare-equivalent appearance, the MRA project transactions do not actually claim payment; they are not true health care claim transactions and do not match any of the transactions specified under HIPAA. Therefore these transactions are not covered under HIPAA and may be processed according to other considerations, such as continuing to ensure that payment is not made and CMS workload. CMS has determined that it is in its best interests to have the VA continue to submit the MRA project transactions with its legacy numbers instead of NPIs; however, accepting and adjudicating these NPI-lacking transactions will require systems changes to accommodate them in an NPI-only environment.

II. BUSINESS REQUIREMENTS TABLE

Use “Shall” to denote a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A / B	D / M	F / I	C / R	D / E	R / H	Shared-System Maintainers				OTHER
		M / A / C	M / A / C		R / I / E / R	R / C	I	F / I / S / S	M / C / S	V / M / S	C / W / F	
5615.1	Contractors shall implement the systems changes required to continue to accept and adjudicate Part A claims for the VA MRA project when they contain their current legacy provider numbers and no NPIs.	X		X				X				X

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an “X” in each applicable column)										
		A / B	D / M	F / I	C / R	D / E	R / H	Shared-System Maintainers				OTHER
		M / A / C	M / A / C		R / I / E / R	R / C	I	F / I / S / S	M / C / S	V / M / S	C / W / F	
	None.											

IV. SUPPORTING INFORMATION

A. For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
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X-Ref Requirement Number	Recommendations or other supporting information:
	CR 5223, 5240

B. For all other recommendations and supporting information, use this space:

V. CONTACTS

Pre-Implementation Contact(s): Stuart Barranco, 410-786-6152

Post-Implementation Contact(s): Stuart Barranco, 410-786-6152

VI. FUNDING

A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC), use only one of the following statements:

Funding for implementation activities will be provided to contractors through the regular budget process.

B. For Medicare Administrative Contractors (MAC), use the following statement:

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.